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Boston Seafood Show Reels In 10 Million Dollars In Sales to Russia

Report Categories:

Export Accomplishments - Other

EXPORT PROMOTION PROGRAMS

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Report Highlights:

In March 2011, FAS Russia Agricultural Assistant attended the International Boston Seafood Show (IBSS) with about 20 Russian fish and seafood buyers. The main objective was to acquaint representatives with a large variety of fish and seafood products available from the United States and develop firm partnerships with potential U.S. suppliers. As a result of the mission, sales may reach \$10 million in a variety of fish and seafood.

General Information:

In March 2011, FAS Russia Agricultural Specialist attended the International Boston Seafood Show (IBSS) with about 20 Russian fish and seafood importers and distributors. The main objective was to acquaint Russian business representatives with the quality and range of fish and seafood products available from the United States and to support and assist Russian companies during the International Boston Seafood Show so that they could develop firm partnerships with potential U.S. suppliers.

The Office of Agricultural Affairs (OAA) in Moscow sent the Senior Agricultural Assistant, who is our expert in the fisheries sector, with the delegation who walked the team through the show, helping Russian delegates find exhibitors selling their targeted products, and facilitating communication between the two sides. The OAA specialist also helped delegates arrange meetings with the American exporters. The Russian importers were particularly interested in frozen salmon roe, frozen hake, black cod, lobster, scallops, mussels and oysters.

The USA Fish and Shellfish Buyers Mission 2011 was organized and coordinated by Food Export USA – Northeast, a Cooperator organization partially funded by USDA. Buyers' Missions afford U.S. suppliers the opportunity to meet one-on-one with pre-qualified international buyers interested in their products to generate export sales. One of the leading Russian fish and seafood importers "Aquaculture LLC," was sponsored by the U.S. Food Export Council under the Buyers' Mission Program.

Aquaculture LLC's representative was invited to participate in the 2011 Buyers Mission Program consisting of pre-scheduled matchmaker meetings. On March 19, 2011, he participated in one-on-one matchmaking meetings with U.S. seafood suppliers. Other participants included international seafood buyers from France, China, Korea and Thailand. "Aquaculture LLC" is the largest Russian importer of fresh lobster and scallops. The American company, East Coast Seafood, has granted "Aquaculture LLC" the exclusive right to distribute their products in Russia. The participant also was looking to expand his sales in Russia with live lobster, frozen scallops, live mussels, fresh scallops, fresh monkfish, fresh skate, and was looking for U.S. suppliers of oysters. According to the Russian importer, his company currently purchases about \$3 million worth of high value seafood from the United States.

The importer was interested in purchasing trial shipments of oysters for \$200,000. "Aquaculture LLC's" total imports of seafood from the U.S. may reach \$4 million by the end of CY 2011.

In addition, Russian buyers of salmon and salmon roe were able to make preliminary arrangements to negotiate the purchase of 800 MT of salmon roe from Alaska and Washington states. The Russian buyers also mentioned that the show was extremely interesting in terms of examining how existing trends in the U.S. seafood market could be applied to the market in Russia. Projected sales of frozen salmon roe total \$5 million.

For the period January –December 2010, total fish and seafood exports from the United States hit a record \$51.6 million, an 88 percent increase over 2009. Exports of frozen roe and livers in 2010 demonstrated remarkable growth and at an estimated \$21.5 million represent almost a 500 percent increase over 2009. The rapid increase is attributed to poor domestic catch of salmon and strong demand for salmon roe and salmon in general. The largest increases were in live crustaceans and mollusks, with the import value increasing from \$1.4 million in 2009 to over 4.4 million in 2010. According to Rosstat, retail prices for fish and seafood in Russia increased 4.8% in 2010. The outlook for 2011-2012 suggests

higher demand for fish and an increase in per capita consumption, both in lower-priced segments such as herring, hake, and perch, and in more expensive fish and processed products. Higher imports of chilled fish and ready to eat products are due to changes in eating habits, increased consumer demand, and economic recovery. Current annual per capita fish and seafood consumption is estimated at 15 kilograms.

By attending the show, Russian seafood importers also had the opportunity to view the breadth and scope of seafood products preferred by American consumers and to check on new product lines. Though some fish and seafood products, such as monkfish, dogfish scallops and lobsters are relatively new to the Russian market. Aleksandr Ivanov, who represented the Russian National Restaurant Association, stated that these products may have good potential on the Russian market. During the meeting with Colleen Coyne, Seafood Program Manager of the U.S. North East Export Council, Mr. Ivanov highlighted the importance of choosing the right marketing strategy for new products, such as conducting chef seminars or degustation (tasting) and some education programs about how to deal with the new product. He also would like to offer the National Restaurant Association (NRA) premises in Russia for seminars for chefs and tastings, if the Northeast Council agrees to send professionals to Russia. He also mentioned that a chef presentation during the PIR show (Hospitality Industry Show) scheduled for September 27-30, 2011 would be an excellent venue to promote higher priced U.S fish and seafood.

A number of U.S. suppliers expressed their interest in expanding their sales to the Russian market. Several opportunities for promotional activities in Russia, including an event at the U.S. Ambassador's residence, and chef demonstration during PIR exhibition were discussed. As a result, it may bring in an additional \$4-6 million in sales of U.S seafood. The U.S supplier is looking into an opportunity to promote its products at the Ambassador's residence likely with a combination of other U.S. products, such as wine.

List of 2011 IBSS participants attached